

Message Text

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21

ACTION AF-04

INFO OCT-01 SS-14 ISO-00 EB-03 INR-07 PM-03 PRS-01 SP-02

CIAE-00 DODE-00 NSC-05 NSCE-00 /040 W

----- 012591

P 200925Z MAR 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 1770

C O N F I D E N T I A L KINSHASA 2333

LIMDIS

E.O. 11652: GDS

TAGS: ECON, EFIN, CG

SUBJECT: ZAIRE'S FINANCIAL CRISIS: UPDATE

REF: KINSHASA 1921

1. FOLLOWING TABLE, DRAWN FROM CENTRAL BANK DATA OBTAINED UNOFFICIALLY

SHOWS CONTINUED DEGRADATION OF FINANCIAL SITUATION
SINCE BEGINNING OF YEAR: (ALL IN MILLIONS OF ZAIRES)

	JAN	FEB	MARCH	13	TOTALS
FOREIGN ETCHANGE	63.15	52.43	5.10		120.6
RECEIPTS	88.36	82.85	12.26		183.4
SURPLUS/DEFICIT	-25.21	-30.42	-7.16		-62.8
NET FOR. ASSETS					
TOTALS	38.59	8.21	1.05	1.05	
(CENTRAL BANK)	(21.15)	(P15.11)	(P9.36)	(P 9.36)	
(COMMERCIAL BANK	(17.44)	(- 6.90)	(- .31)	(- 8.37)	

TREASURY
OPERATIONS

RECEIPTS 52.23 32.78 18.47 103.48

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EXPENDITURES 45.45 54.5 25.98 125.93

SURPLUS/DEFICITS P6.78 -21.79 -7.51 -22.45

"P" DENOTES LLUS

2. COMPARISON WITH DATA FURNISHED REFTEL AND A-30
SHOWS:

A. THAT FOREIGN EXCHANGE RECEIPTS SINCE BEGINNING OF YEAR ARE RUNNING AT Z50.2 MILLION PER MONTH AS OPPOSED TO 1974'S MONTHLY AVERAGE OF Z70 MILLION (NOT COUNTING RECEIPTS FROM GOLD SALES). FX EXPENDITURES THROUGH EARLY MARCH HAVE BEEN AT THE LEVEL OF Z76.4 MILLION PER MONTH--ONLY 6 PERCENT LOWER THAN THE ALL-TIME HIGH AVERAGE MONTHLY RATE DURING 1974 OF Z81.5 MILLION

B. THE FX DEFICIT IN 1975 IS THUS BEING INCURRED AT MONTHLY RATE OF Z26.2 MILLION MORE THAN TWICE AS HIGH AS THE AVERAGE MONTHLY DEFICIT IN 1974. AND THE ENTIRE 1975 FX DEFICIT OF Z62.8 MILLION HAS BEEN FINANCED BY RUNNING DOWN FROM Z63.8 MILLION AT END OF 1974 TO Z1.05 MILLION BY EARLY MARCH.

C. AVERAGE MONTHLY TREASURY RECEIPTS DROPPED FROM THEIR 1974 LEVEL OF Z44.8 MILLION TO Z40.8 MILLION, AND GOVERNMENT EXPENDITURES DROPPED FROM Z62.08 MILLION PER MONTH IN 1974 TO AROUND Z49.7 MILLION. THUS, ON SURFACE, AVERAGE MONTHLY GOVERNMENT DEFICIT SEEMS TO HAVE DROPPED OFF FROM 1974 LEVEL OF Z17.2 MILLION TO AROUND Z8.9 MILLION.

D. JANUARY RECEIPTS, HOWEVER, LOOK ABORMALLY HIGH AND PROBABLY REFLECT PROCEEDS OF GOLD SALE AT END OF 1974. FEBRUARY RECEIPTS OF Z32.7 AND MARCH RATE PROJECTED FROM DATA AS OF 7TH LEADS US TO BELIEVE Z32.5 MILLION MORE REPRESENTATIVE OF CURRENT LEVEL OF TREASURY RECEIPTS. AND ASSUMING EXPENDITURE RATE PER PARA (C) ABOVE OF Z49.7 MILLION--GOVERNMENT DEFICIT THIS YEAR IS RUNNING AT SAME RATE AS LAST YEAR Z17.2 MILLION PER MONTH.

3. WE HAVE ALSO BEEN INFORMED THAT FIRST TRANCH OF THE ABUDHABI LOAN WAS DISBURSED LAST WEEK IN THE CONFIDENTIAL

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AMOUNT OF \$16 MILLION. FOREGOING FIGURES DO NOT REFLECT THIS.

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